

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2570-02  
Bill No.: HB 1053  
Subject: Elderly; Medicaid; Social Services Department; Public Assistance  
Type: Original  
Date: January 17, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
General Revenue	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(UNKNOWN GREATER THAN \$100,000)</b>	<b>(UNKNOWN GREATER THAN \$100,000)</b>	<b>(UNKNOWN GREATER THAN \$100,000)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Federal	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Unknown revenues and expenditures annually net to \$0.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** state the population affected by this change is unknown. However, DMS assumes that the fiscal impact would exceed \$100,000. DMS states that if the proposal would increase Medicaid eligibles over the age of 65 by ten, the fiscal impact would be \$182,160 (\$18,216 x 10). DMS states the Medicaid yearly cost per eligible for the elderly population for FY 2003 is projected to be \$18,216.

**DOS - Division of Family Services (DFS)** officials state DFS has no tracking mechanism in place for determining the number of Medicaid cases closed or applications rejected as a result of the cash surrender value of insurance policies. DFS states the fiscal impact of this proposal is currently unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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### **GENERAL REVENUE FUND**

<u>Costs - Department of Social Services</u>			
Medicaid program costs	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<u><b>(Unknown greater than \$100,000)</b></u>	<u><b>(Unknown greater than \$100,000)</b></u>	<u><b>(Unknown greater than \$100,000)</b></u>
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### **FEDERAL FUNDS**

<u>Income - Department of Social Services</u>			
Medicaid reimbursements	Unknown greater than \$100,000	Unknown greater than \$100,000	Unknown greater than \$100,000

FISCAL IMPACT - State Government

Costs - Department of Social Services

Medicaid program costs

(Unknown  
greater than  
\$100,000)

(Unknown  
greater than  
\$100,000)

(Unknown  
greater than  
\$100,000)

**ESTIMATED NET EFFECT ON  
FEDERAL FUNDS**

**\$0**

**\$0**

**\$0**

FISCAL IMPACT - Local Government

FY 2003  
(10 Mo.)

FY 2004

FY 2005

**\$0**

**\$0**

**\$0**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

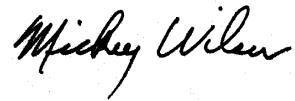
DESCRIPTION

This proposal specifies that the term "resources" does not include the cash value of certain life insurance policies for purposes of determining Medicaid and Medicare eligibility for people who are 65 years old or older.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services

A handwritten signature in black ink, reading "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Acting Director  
January 17, 2002